DOCUMENT RESUME

ED 319 325 HE 023 518

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TITLE State Priorities in Higher Education: 1990.
INSTITUTION Education Commission of the States, Denver, Colo.; State Higher Education Executive Officers Association.
PUB DATE Apr 90
NOTE 39p.
AVAILABLE FROM State Higher Education Executive Officers, 707 17th St., Suite 2700, Denver, CO 80202-3427.
PUB TYPE Reports - Descriptive (141)

EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS *Administrator Attitudes; Educational Improvement; Educational Legislation; *Educational Needs; *Educational Objectives; Educational Policy; *Financial Needs; Government Role; Higher Education; National Surveys; *Needs Assessment; Public Policy; State Government; State Officials; *State Programs

ABSTRACT

The report provides information on the current issues, financial priorities, and legislative concerns faced by higher education at the state level, based upon observations of State Higher Education Executive Officers in all 50 states, Puerto Rico, and the District of Columbia. The most important tasks facing higher education were identified as strengthening the teaching and learning of undergraduates, and increasing the success of minorities. Other issues of concern were accountability and effectiveness of higher education, support for research and economic development, review of institutional roles and missions, need for new faculty and competitive salaries, reforming teacher education programs, linking levels of education, adequacy of physical facilities, and tuition and student costs. Financial priorities, in order of concern, were: financing basic operating costs, competitive faculty salaries, physical facilities/infrastructure, academic improvement, and expansion/growth. Primary legislative concerns, in rank order, were higher education's role in economic development, institutional accountability and effectiveness, teacher preparation, increasing base funding levels, level of tuition and student fees, capital construction and facility maintenance, minority student achievement, student transfer/articulation across institutions, faculty salaries, and demographic shifts/population growth or declines. State policy and program initiatives to improve undergraduate education are discussed. (JDD)

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STATE PRIORITIES IN HIGHER EDUCATION: 1990

Charles S. Lenth

April 1990

HE 023 518

A joint project of the State Higher Education Executive Officers (SHEEO) and the Education Commission of the States (ECS)

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FOREWORD

This report is intended to help meet the need for information on the current issues, financial priorities and legislative concerns faced by higher education at the state level. To provide this information, we have called upon the State Higher Education Executive Officers (SHEEOs) in each state, who are typically both close observers and active participants in the debates and decisions on these issues.

All such surveys are limited, and this survey is limited in particular ways. Although we have asked SHEEOs to act as "expert witnesses" on higher education in their states, we can hardly pretend that they speak only as objective observers. No doubt the survey responses reflect SHEEO agendas as well as observations, but both are important perspectives. It would be helpful to have other perspectives as well — governors, legislators, key staff, business leaders and institutional and faculty perspectives. Perhaps such a survey can be developed in the future.

The results of this survey confirm that the agenda of the past decade remains unfinished. Strengthening the teaching and learning of undergraduates and at the same time increasing the success of minorities remain the most important tasks facing higher education. Many state boards, fortunately, see no necessary trade-off between access and quality. Both are to be pursued simultaneously.

This report, readers may say, reflects only today's agenda. "What about tomorrow's? What about the decade ahead?" Unfortunately, no survey can peer into the future. We will have to wait and see.

In the same way that all politics are local, all issues are localized and specific. The local and specific motivates the general concern, more often than the reverse, even though the general concern is what we hear. This means that the "quality" issue, the concern for accountability and the cost factors might in fact be quite different issues in different states.

Despite these limitations, the issues and perspectives at the state level are important, and a survey of SHEEOs is the most direct way to get such information. The SHEEO organization and the Education Commission of the States (ECS) have a history of collaborating on projects that provide information on higher education at the state level. This survey, which we intend to repeat on a periodic basis, builds upon that collaboration and provides information to expand our discussions and fuel additional actions at both the state and national levels.

I would like to thank all those who participated in the development of this report, especially its principal author, Charles Lenth, Director of the SHEEO/NCES Communication Network Project. Joni Finney at ECS and Peter Ewell at the National Center for Higher Education Management Systems both made valuable contributions in the design of the survey, as did Adrienne Sack of the SHEEO staff to the production of the report.

James R. Mingle
Executive Director
SHEEO

HIGHLIGHTS

Demographic shifts, rising costs, evolving educational needs, and expectations about quality and accountability are reshaping relationships between states and higher education. State Higher Education Executive Officers (SHEEOs) are key participants in these relationships, linking state policy makers to institutional leaders in setting the state policies and providing the resources necessary to meet public needs.

This report, based on a survey of SHEEOs in late 1989, examines the major issues and challenges confronting higher education at the state level. These include issues related to academic quality, student achievement, institutional roles and effectiveness, state economic and work-force needs, financial priorities and legislative concerns. Initiatives in many of these areas may significantly reshape the relationships between states and higher education in the coming years.

States and institutions are responding to a broad range of public concerns and needs. Beginning with the most frequently cited, these initiatives include:

1. Improving Undergraduate Education

Overall, the most frequent and immediate concern at the state level is the quality of undergraduate education. SHEEOs in 34 states view this as very important and states are addressing this concern through a variety of initiatives:

- More than half the states are revising minimum college admissions standards for public institutions.
- In order to improve student preparation, state higher education systems are increasingly involved in communicating prerequisites and expectations directly to high schools, students and families.
- A growing number of states are using institution-based student assessment as a state-level policy tool, focusing on areas such as student testing and placement, program effectiveness and outcomes, teaching and faculty development, student satisfaction and alumni follow-up, and indicators of institutional and system performance.
- Nearly 20 states are reviewing the core curriculum or general education requirements at public institutions.

2. Increasing Minority Student Achievement

More than one-half of the states are actively engaged in improving minority student participation and achievement in higher education. State initiatives include:

- systemwide goal-setting and monitoring institutional progress in achieving proportional representation.
- programs and state support to increase minority faculty representation.

- outreach, "bridge" programs, counseling and other means for reaching secondary school students more effectively.

In 24 states concern for race relations and ethnic diversity is pressuring state boards to take more direct roles in campus climate issues. In most cases, these initiatives represent new and more direct roles for state policy makers in traditionally campus-level issues.

3. Addressing Concerns Over Accountability and Effectiveness

Nearly one-half of the SHEEOs (23) report increased state concern over the accountability and effectiveness of higher education. These concerns involve financial accountability in the use of state resources, and increasingly include some demonstration of educational outcomes. A number of states have or are considering new types of reporting systems to provide more information for management and public reporting of educational outcomes.

4. Support for Research and Economic Development

The top legislative concern involves enhancing higher education's roles in state economic development, a concern that is increasingly being taken up by higher education leadership as well. States report a number of initiatives for focusing and supporting basic and applied research, technology transfer, and closer university-industry collaboration.

5. Review of Institutional Roles and Missions

Related to the concern for accountability and effectiveness, nearly 20 states are reviewing institutional roles and missions. Most are looking for ways to use state resources more effectively, or to focus attention and resources on high-priority concerns such as undergraduate teaching or meeting the needs of under-served populations.

6. Need for New Faculty and Competitive Salaries

Many states are concerned about meeting future faculty needs and the resources required for competitive faculty salaries. Over one-third of the states (including large, high-salary states) see themselves at a competitive salary disadvantage. This suggests that the competition for faculty is not just among states but also with other professions, and that the supply of faculty in the future may be more limited than currently recognized by states.

7. Reforming Teacher Education Programs

Teacher education reform is still a very important concern in more than one-third of the states -- perhaps not as high on state agendas as in past years, but still a very important concern of many. During the last several years many of these states have raised teacher education admission and graduation requirements, several have mandated five-year professional degrees, and several are currently undertaking major program reviews.

8. Linking Levels of Education

Viewed as a very important issue in 14 states, initiatives to link higher education more effectively to elementary and secondary education include programs that link faculty and secondary teachers, cross-sector enrollment and class-credit agreements for high school

students enrolling in college-level programs, and joint policy and planning meetings between state boards of education and higher education.

9. Adequacy of Physical Facilities

A large number of states are seriously concerned about support and upkeep for college and university facilities. In 13 states this is a very important concern, and nearly without exception it is viewed as a growing problem. Support for new capital construction is relatively strong in some states, but the growing backlog of deferred maintenance and the needs to upgrade and modernize current facilities are being addressed in only a very few states.

10. Tuition and Student Costs

Despite the attention given rapidly-rising higher education costs in recent years, this issue does not rank as high in importance as others. While it is relatively high as a legislative concern, SHEEOs provide a diverse set of responses to the question of student costs. Given the overall cost increases in higher education, SHEEOs tend to view increases in student charges as appropriate when direct state support is insufficient to meet institutional needs.

Other issues mentioned as very important in a smaller number of states include:

- student financial aid;
- regulation of the for-profit education; and
- development of educational telecommunications systems.

Overall, the state agendas for higher education reflect significant attention to reform and improvement, and considerable pressure for change from both within and outside of education. Relationships between states and higher education mirror these pressures and are likely to change significantly as a result. State-level leadership on many issues appears to be increasingly activist, although the initiatives and actions undertaken are for the most part decentralized and focused on institutional change.

STATE PRIORITIES IN HIGHER EDUCATION: 1990

I. Introduction

New challenges and expectations confront higher education today — challenges related to broad social and technological changes, and expectations that education must be an important part of meeting these challenges. States, as primary actors in providing financial support and setting public policies for higher education, are under increased pressure to address these challenges and meet these heightened expectations. What issues are states addressing? What actions are being undertaken? What are the state priorities for higher education?

To provide answers to these questions, the State Higher Education Executive Officers (SHEEOs) were surveyed in late 1989. The survey, jointly sponsored by the SHEEO national organization and the Education Commission of the States (ECS), gathered information from SHEEOs in all 50 states, Puerto Rico and the District of Columbia. As chief executive officers of state-level coordinating and governing boards, the SHEEOs are key actors in the evolving state roles in higher education, linking policy makers in the legislature and state houses to the academic leadership of institutions and to the public boards that govern higher education. Although the titles and responsibilities of SHEEOs vary, they are in a unique position to observe and comment on issues and priorities in higher education in their states.

In the survey, SHEEOs were asked to act as "expert witnesses" in three areas. First, they were asked to provide their professional judgment on the major issues and concerns confronting higher education and how their states are addressing these issues. Second, SHEEOs were asked to describe and rank the top five priorities for financing higher education in the coming year, and comment on fiscal conditions and higher education

support compared to other major components of the state budget. Third, they were asked to report on the level and nature of legislative concern in issues related to higher education governance (such as institutional autonomy and accountability), in areas of academic policy (such as assessment and admission standards), and in budgetary issues (such as faculty salaries, student costs and facility needs).

This report, based on that survey, analyzes the level of importance and priority rankings of the key issues, financial needs, and legislative concerns as a map of the terrain of issues and needs across the nation. This is followed by more detailed descriptions of the major issue areas, including examples of the initiatives being undertaken by states.

II. Ranking the Issues and Priorities

SHEEO perspectives on the major issues confronting higher education vary across issues and across the states. Table 1 indicates the number of states in which each of 13 major issues is perceived to be "very important," along with the average rating nationally and the regions where the concern is highest.

Table 1
Issue Rankings — State, National and Regional

Issue	"Very Important" (Number of States)	Average Rating 4 = Very Important 0 = Not Important	Regional Concentrations*
Quality of Undergraduate Education	34	3.47	North-Central and South
Minority Student Achievement	29	3.38	Northeast
Accountability/Effectiveness in Higher Education	23	3.08	North-Central and South
Support for Research/Economic Development	20	3.04	All regions
Review of Institutional Roles/Missions	19	2.94	North-Central and South
Faculty Supply/Salaries/Quality	18	2.84	West
Reform of Teacher Education	17	3.10	Northeast
Linkages with Secondary Education	14	2.96	All regions
Adequacy of Physical Facilities	13	2.96	West
High Tuition/Student Costs	13	2.90	North-Central
Need for Work-force Training/Education	10	2.82	North-Central and West
Adequacy of Student Financial Aid	8	2.71	Northeast
Regulate For-Profit Schools/Colleges	6	1.90	All regions

*Based on Census Bureau regions and proportion of states rating the issue "very important."

Two issues related to the quality of education and the achievement levels of students are widely viewed as most important. The issue of quality and improvement of undergraduate education is viewed as very important in 34 states, the most frequently-cited concern and the highest average state rating (3.47 on a scale of 0 to 4). Interest in undergraduate education improvement is highest in the southern and north-central states, although the level of importance is relatively high in the western and northeastern states as well.

Of nearly equal importance to states is minority student participation and achievement in higher education. Twenty-nine states view this as very important, with an average rating just below that of undergraduate education quality. The level of concern is highest in the northeastern states, and relatively high throughout the nation, even in states with relatively small minority populations.

In a second tier of issues dealing with the governance and support for higher education, 23 states rate the question of effectiveness and accountability in higher education as very important. The concern for accountability in higher education is concentrated in the north-central states (where it is rated second most important) and in the southern states, while it is relatively absent in the northeastern and western states (where it is rated twelfth in importance). Also related to higher education governance and structure are state concerns over the role and mission of institutions. Nineteen states indicated that this is a very important issue, motivated both by a concern for the cost effectiveness of higher education and the need to address changing state needs.

Twenty states rate support for research and other higher education contributions to economic development as very important, and this issue is within the top six concerns across all regions. Slightly lower in importance, issues related to higher education faculty are viewed as very important in 18 states; in most of these, maintaining competitive faculty

salaries is the primary concern. In the West there is also a high-level of concern about faculty supply and recruitment. Reform in teacher education is rated very important by 17 states, and relatively high across the nation.

Among three diverse issues that are somewhat less-frequently mentioned is an emerging concern for more effective linkages and cooperation between higher education and secondary education, cited as very important in 14 states. Concern for the adequacy of support for college and university facilities is viewed as very important in 13 states, and is a growing concern in others. The perennial financial and political issue of tuition and student costs is also viewed as very important in 13 states, relatively low in importance given recent cost increases and media attention.

Several other issues are somewhat lower in importance. Improving work-force training and education is very important in ten states. Increasing student financial assistance is rated very important in eight states, and regulation of "for-profit" schools and colleges is considered very important in only six states. Other issues mentioned as important by more than one state include telecommunications development, state support for private colleges, international education and community college articulation with four-year institutions.

These rankings reflect a perception among SHEEOs that the most important issues to be addressed by higher education involve improving higher education services and operations. Going down the rank ordering of issues, the highest priority issues imply a need to change some of the existing patterns and traditional outcomes of higher education, whether this be in undergraduate education, the achievement of minority students, institutional performance, or in meeting other state needs. "Higher education," notes Joseph T. Sutton, executive director of the Alabama Commission on Higher Education, "has gotten the message of higher state expectations, but it will take some time to deliver. The nature of the higher education business is not to be a university or a college, but it is to teach, to

contribute to knowledge, to educate equitably and effectively, to do research, and to provide related public services. Unless higher education looks to those missions, who pays for them and who benefits," Sutton notes, "we are in danger of losing essential public support and failing to meet the challenges of the future." These disquieting concerns are shared by many SHEEOs and underlie the issues that are viewed as important in many states.

Financing and Legislative Priorities

In contrast, however, the financial priorities for higher education reported by SHEEOs appear to reflect more concern about the adequacy of current support for higher education than about changing existing educational services. As indicated in Table 2, nearly all SHEEOs report that maintaining or recovering the base level of state financial support for higher education is a top financial priority. The second financial priority is maintaining faculty salaries in an increasingly competitive academic job market; third is adequate funding for college and university physical facilities and campus infrastructures. Taken together, these three most-frequently mentioned financial priorities indicate SHEEOs' concern about the current levels of support, and higher education's ability to maintain service levels without augmentation of this support and some reallocation of resources.

Table 2
State Higher Education Financial Priorities

Top Priorities	Number of States
Financing Basic Operating Costs	20
Competitive Faculty Salaries	17
Physical Facilities/Infrastructure	6
Academic Improvement	4
Expansion/Growth	3
Other	2

Several factors help to explain this concern and the apparent inconsistency between issue priorities and resource availability. Many SHEEOs report that state resources have been constrained in recent years, and that state financial support for higher education has fallen behind rising educational costs. As a result, there is an underlying concern over this cost issue if additional resources are not forthcoming. Moreover, many of the priority issues such as the quality of undergraduate education or improving minority student achievement are supported primarily from within the base budgets of institutions. Institutions' ability to meet these challenges depends upon the adequacy of the base levels of financial support.

Although quality improvements are often used as a selling point for additional state resources, these initiatives are not widely viewed as a financial priority. Several of the top-priority issues reflect pressures to achieve more or different outputs from the existing resource base. The concern for accountability and effectiveness and for the role and mission of institutions, for example, are often directed at the management of resources, rather than at acquiring additional resources. As a result, although nearly all states reflect

concern about public financial support for higher education, few SHEEOs view these financial needs as sufficient reason not to address substantive concerns over the services provided by higher education.

The major legislative concerns also reflect a somewhat different ordering of priorities. The quality of undergraduate education, for example, does not rank in the top ten legislative concerns. Instead, some issues that are less important from the SHEEO perspective are the most prominent concerns from the legislative perspective, as shown in Table 3. The top-ranked legislative concerns are, first, higher education's role in economic development and, second, institutional accountability and effectiveness. Teacher preparation, tuition costs, student transfer issues and demographic changes are also prominent legislative concerns.

Many of these legislative concerns represent needs and perceptions external to higher education, and to which higher education is expected to respond. Contributing to state economic development, for example, has become a more important priority for SHEEOs and others in higher education as a result of pressures and incentives from governors, legislatures and private industry. Similarly, other external needs and concerns are reflected in the actions of the education leadership as these issues gain greater public recognition.

Table 3
Primary Legislative Concerns*

1. Higher education's role in economic development
2. Institutional accountability and effectiveness
3. Teacher preparation
4. Increasing base funding levels
5. Level of tuition and student fees
6. Capital construction and facility maintenance
7. Minority student achievement
8. Student transfer/articulation across institutions
9. Faculty salaries
10. Demographic shifts/population growth or declines

*Ranked by number of states reporting this as a "very important" legislative concern.

III. Steps to Improve Undergraduate Education

Widespread concern over the quality of undergraduate education in many states is reflected in a variety of state policy and program initiatives, the most frequent of which are outlined on Table 4.

Table 4
State Approaches to Improve Undergraduate Education

Most Frequently Implemented

1. Review of college preparation and admission standards
2. Institution-based student assessment (for basic skills, placement, etc.)
3. Review of core curriculum and general education requirements

Less Frequent Approaches

4. Reporting of retention/graduation
5. Student satisfaction/alumni follow-up
6. Faculty development/evaluation
7. Incentive funding/competitive improvement grants

Not Frequently Mentioned

8. Program review
9. Accreditation/licensing
10. Review of institutional missions/effectiveness

The actions of many states reflect a presumption that standards for undergraduate education — both the level of achievement of many students and the expected levels of performance at many institutions — have slipped too low or are not sufficiently rigorous to meet the long-term needs of students and society. More than one-half of the states have

re-examined and raised the basic statewide admission standards for undergraduate education at public institutions. In a significant turn-around from the more *laissez-faire* state approach to admissions standards that was typical of the 1970s and early 1980s, several states have re-instituted foreign language and mathematics prerequisites, multi-year English requirements, and other pre-collegiate preparatory sequences that were expected of entering freshmen in the 1960s and have always been expected at the more selective colleges and universities. States are taking care to communicate these revised statewide admissions standards widely to high schools, and they are generally phased in over a period of years to allow time for high schools to adapt and students to prepare. In addition, it is common for states and institutions to provide some flexibility for students or school districts who cannot meet all the requirements prior to college admissions.

The emphasis on more explicit statewide admissions criteria is intended to send a signal to students, families and high schools about the expectations for college-level work, and then to ensure that students meet these standards within a reasonable amount of time. In most states it will be several years before the impact of minimum standards for admission will be felt and analyzed. Although only a very few states intend to use the new admission standards as a means to limit access and enrollments, this could be the unintended result in others. In some states, for example, rural districts are unable to offer all the science and foreign language courses required by new standards. In many urban areas where collegiate preparatory tracks are often not emphasized, the higher admission standards seem to conflict with efforts to enroll and retain more minority and lower-income students. These problems need to be addressed directly by states, or the potentially beneficial effects of better student preparation may come at the cost of more limited and selective enrollments.

The second major strategy for improving the quality of undergraduate education is through some form of institution-based student assessment. The approaches vary widely, and few states appear to be imposing inflexible statewide programs. Over one-third of the states report using some institution-based assessment initiative as a component of broader efforts to improve undergraduate education. Under most of these initiatives, states encourage institutions to establish student and institutional assessment, with periodic reports to the state on the nature and results of these programs. Several states require diagnostic testing of basic skills within the first two years of college, often linked to placement in remedial programs or credit for college-level course work. A smaller number of states report using surveys of alumni or post-college outcomes to gather information related to institutional improvement. Such forms of student and institutional assessment appear to be growing in use and importance as state-level policy tools.[1]

A nearly equal number of states (18) are undertaking review and modification of the core curriculum and general education requirements at public institutions. In general, these initiatives are not efforts to prescribe a set curriculum or parts of the curriculum statewide. They are, however, intended to define some of the core components expected to be part of an undergraduate education, and to ensure some uniformity in these elements in order to facilitate student transfer (and the transfer of student credits) from one institution to another. In several states, this core curriculum approach is focused initially on community colleges and open-admissions urban institutions as a means to ensure that students from these institutions can transfer to the more selective four-year colleges and universities. Twelve states report programs to monitor and improve the completion rates among

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[1]A separate survey of these state assessment policies and initiatives was also undertaken in late 1989 as a joint project of ECS, SHEEO and AAHE. State Initiatives in Assessment and Outcome Measurement: Tools for Teaching and Learning in the 1990s will be available from ECS by mid-1990.

undergraduate students. These vary from elaborate statewide student tracking systems to periodic institution-based retention reports, and from hortatory calls for better student counseling to programs backed by state dollars. Two other strategies to improve undergraduate education are reported by a smaller number of states. Six states report special state programs to improve the quality of teaching in undergraduate education. In several of these states, this component includes some emphasis on performance evaluation for teaching effectiveness. Five states report using or considering incentive funding or some sort of competitive funding program to support improvement efforts at the institution level.

Of note because they are not often mentioned as strategies to improve undergraduate education are some of the traditional policy or regulatory approaches of statewide coordinating and governing boards. Less than five states mentioned program review as a means to address the perceived deficiencies in undergraduate education. A small number of states also mentioned improving articulation between two-year and four-year institutions, and only two or three states mentioned accreditation or licensing as components of undergraduate improvement strategies. This seems to indicate some dissatisfaction with these traditional tools of higher education policy, and a willingness by state leadership to develop policies and approaches more appropriate to the emerging issues and needs.

IV. State Initiatives to Enhance Minority Student Participation and Achievement

Many SHEEOs report that states are taking more forceful positions with respect to minority student access and achievement. These initiatives are motivated by significant demographic shifts in enrollments and student-age populations. In many major urban areas, more than one-half of public school enrollments have been "minority" students for many years, and this proportion is continuing to grow. The resulting demographic transitions are most dramatic across the southern tier of states from Florida and Texas to California, where several states already have or soon face a majority of minorities statewide in the school-age and young adult populations.

State intervention is increasing because the proportion of higher education enrollments and degree completions by minority students has not kept pace with these demographic changes. Nationally, enrollments and retention to graduation among some minority student groups declined for a period of years, and few states have succeeded in improving these trends significantly. Simply to maintain the enrollment base of higher education, many states and institutions need to do a much better job of preparing, retaining and graduating minority students in the future. Several recent reports — such as those by the American Council on Education (ACE), the Western Interstate Commission for Higher Education (WICHE) and both earlier and on-going projects by SHEEO and ECS — have also helped to put and keep the issue of minority student achievement high on state higher education agendas.[2]

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[2]Further information on the response of states to minority issues is available from Esther Rodriguez, director of the SHEEO project on minority achievement or from Joni Finney, staff director of the ECS Task Force on Minorities.

Race relations and other campus climate issues are also motivating states to take action in this area. Twenty-four SHEEOs respond that they are very concerned about inter-racial and inter-ethnic relations on campuses and that they view this as an area of legitimate state concern and action. Several other SHEEOs indicate that social climate is an important factor and motivation for action at the campus level. In contrast, only 16 SHEEOs indicate that basic social relations and social climate issues are not a prominent factor. Among the state-level initiatives to address issues of campus climate are review and revision of codes of student conduct, state directives to require all public institutions to establish race relations awareness and improvement plans, and state or institutional sponsorship of social diversity and inter-cultural sensitivity workshops.

Among the many initiatives to improve minority student access and achievement in higher education, the most commonly-used strategy involves explicit goal setting and regular monitoring of system and institutional progress in reaching these goals (see Table 5). The goal most frequently specified is to achieve minority representation within higher education enrollments that is approximately proportional to the composition of the state population as a whole. States are supporting a number of efforts to monitor progress in achieving these goals, including admissions targets, retention plans and directives that require the development and reporting of institution-based plans. In several states, these statewide goals and monitoring systems are in response to explicit legislative mandates. In at least six states, a statewide task force plays a leadership role in setting the state goals for improving minority student access and achievement.

Goal-setting and monitoring are used in a number of states for minority representation among faculty as well as students. These state programs are intended to augment faculty recruitment efforts through such means as minority internships, assistantships and scholarships that are contingent upon acceptance of a faculty position at a state institution

upon degree completion. Another approach is to provide financial support for minority faculty members who have not yet completed a Ph.D., or who would benefit from a faculty development program that links two-year institutions or urban "feeder" institutions to major graduate and research universities. A number of states regularly monitor state and institutional progress in achieving minority faculty hiring goals.

Table 5
State Initiatives for Minority Student Access and Achievement

1. State Goal-Setting and Monitoring of Minority Student Admissions/Retention
2. Increasing Minority Faculty Representation
3. Linkages and Outreach to Secondary Education
4. Specific State Appropriations/Financial Support Earmarked for Minority Student Programs
5. Other Initiatives
   - Community-based programs
   - Public/private/industry collaboration
   - Financial aid for minority students
   - Minority teacher recruitment (elementary/secondary)
   - Science and engineering recruitment
   - American Indian/tribal college linkages

The SHEEOs also report several statewide initiatives to encourage higher education institutions to work more closely with secondary schools in the preparation and recruitment of minority students. State-level initiatives in this area include coordination and financial support for summer preparatory institutes to bring minority students to campus, "bridge" programs and special counseling services. Outreach programs to schools and statewide coordination of minority student recruitment are also receiving state support.

Fewer than ten states report the earmarking of specific state appropriations for minority student programs. Of these, the most common approach is to provide state appropriations directly for inter-segmental or multi-institution programs, for example, the California Student Opportunity and Access Program (CAL-SOAP). Such statewide, multi-institutional programs generally require statewide or systemwide funding mechanisms, rather than depending upon institutional resources. Several states fund minority student initiatives through appropriations to institutions that are earmarked for specific programs. Tennessee is currently developing a component of performance-based funding that is contingent upon achieving specified minority student enrollment or degree-completion goals. Finally, in seven states special programs have been initiated to address the needs of American Indian students.

V. Issues of Governance and Structure

States face a number of issues involving the governance and structure of higher education. Nearly one-half of the SHEEOs report that accountability and effectiveness of higher education are being questioned, and a nearly equal number report that institutional roles and missions are being re-examined. Together the two issues outlined in Table 6 point to the emphasis being given basic questions about the management and productivity of state education resources at all levels.

Table 6
Issues of Governance and Structure

Issue	Areas of Concern
Accountability and Effectiveness	1. Financial Accountability 2. Cost Controls/Resource Allocation 3. Student Learning Outcomes 4. Productivity/Services
Institutional Roles and Missions	1. Response to Resource Limitations 2. Changing State and Student Needs 3. Reconfiguration of System

Most SHEEOs interpret and respond to the question of accountability in terms of expenditure controls and fiduciary responsibilities in the use of public funds. Despite the fact that financial accountability is an old issue, in over 20 states it is still an issue of high salience. Some of the concerns voiced include tighter controls over the use of state-appropriated funds, more careful reporting of the use of non-state funds, the imposition of cost controls or budget reallocations, or general concern about the use and management of financial resources in higher education.

Aside from scattered instances of financial mismanagement, the concern over financial accountability appears to be driven by the need to control the costs of education, to live within the resource limitations of state budgets and taxpayers, and to ensure that these resources are allocated and used effectively. These are managerial questions, not questions of legal mis-doing or improper accounting procedures. States and SHEEOs are responding not with the imposition new financial reporting requirements, but by posing questions and expectations that are often not answerable by conventional reporting procedures.

For example, a significant number of states report that they have or will soon put into place new systems to measure and report student learning outcomes or to demonstrate institutional improvement and effectiveness through regular reports to state legislatures and the public. One example is the South Carolina Commission's "Guidelines for Institutional Effectiveness," which outlines 18 areas in which institutions must annually report on their status and progress. The effectiveness guidelines include the areas of assessment in the core curriculum and disciplines; the transfer, retention and graduation of all students; effectiveness in public service and research activities; and administrative process and performance. Such monitoring and reporting systems, which have been established in a number of states, reflect the rising demand for educational accountability and the state-level efforts to meet these demands through new reporting techniques, outcome measures and other means. It is too early to tell whether these reporting initiatives will translate into greater accountability and public trust. They do, however, have the potential to increase public understanding of higher education as well as to provide new types of data for the management of higher education resources at the state level.

Several SHEEOs report that this shift in the meaning and responses to accountability are largely driven by the shortfalls in financial support for higher education or by the perception of "run-away" costs. Several states are considering new types of cost controls for higher education, and the SHEEOs describe state fiscal and economic conditions in which cutbacks in state support will be unavoidable. In other states the accountability issue reflects, at least in part, a negative perception or reaction to higher education. For

example, six SHEEOs mentioned a negative public or legislative perception of faculty and faculty productivity that is contributing to the accountability issue. Other SHEEOs mentioned athletic scandals and isolated campus incidents that contribute to a negative reaction to all of higher education.

A widespread concern for institutional roles and missions is intertwined with that of accountability. Nearly one-third of the SHEEOs report that their state's approach to accountability involves re-examining institutional roles and missions. Many of the states engaged in role and mission review are attempting to find ways to use overall state education resources more effectively. The implication, at least in ten states, is that current institutional operations and offerings may need to be scaled back and refocused because of severe constraints on state support. In four other states, the primary motivation is to reshape systemwide goals and governance.

In a small number of high-growth states, continued population expansion and other demographic changes are compelling a re-examination of the institutional roles and missions that were designed to fit very different conditions. New campuses and institutions are being planned in California, branch campuses are being planned in other states, and in still others institutions are responding to shifts in population location, age, ethnicity and educational needs. These changes often provide the opportunity to rethink existing institutional roles and to reconfigure some components of a state's higher education system.

Whether motivated by conditions of change and growth or by financial constraints, the attention being given to institutional roles and missions is generally not regulatory in nature. States are not attempting to regulate institutions more closely and carefully in a direct way. Rather, SHEEO agencies are looking for ways to define statewide frameworks for higher education in which different types of institutions will operate, as part of a more effective system.

VI. Financing, Faculty Concerns and Other Priorities

SHEEO perspectives are important in assessing the financial conditions and needs of higher education. Typically, SHEEOs are key players in negotiating with legislatures and governors to determine the level of state-appropriated financial support. Frequently also, SHEEOs are directly involved in allocating these state resources across higher education institutions and programs, and in negotiating major components of higher education budgets. At the same time, as participants in the political negotiation of financial decisions at the state level, SHEEO views must often be a mixture of honest assessment and necessary advocacy.

These conditions are further complicated when higher education is viewed as one of the "soft" areas of state budgets. In all states, support for higher education is one of the largest components of state budgets, but typically it is viewed as a component that can be trimmed or expanded from year to year more easily than many other areas. As one SHEEO notes, "state support for higher education is always dependent on economic conditions, and has historically followed a roller coaster pattern of gains and losses." Typically, the tradeoff for the relative autonomy of financial control at the institution level is increasing vulnerability to externally-motivated state budget decisions.

Responses by SHEEOs to questions about the financial conditions and needs of higher education reflect variable state fiscal conditions. For the current year (1989-90), more than one-half (31) of the SHEEOs report favorable conditions for financing higher education in their states during the current year. Eleven SHEEOs report essentially stable conditions, and ten report financial conditions that are worse than in past years. Sixteen SHEEOs report that higher education receives a declining share of total state resources.

This assessment of the financial needs and conditions of higher education is not as negative as some newspaper and media reports and points to a very mixed picture across the states. Generalizations are easily falsified by pointing to counter examples and rapidly changing conditions. Nevertheless, the financial needs of higher education appear to be critical in only a small proportion of states (where conditions in some are admittedly severe), while most states are more concerned about longer-term prospects for state support.

Salaries and Other Faculty Issues In response to a question about general faculty issues, SHEEOs overwhelmingly voice a concern over maintaining competitive faculty salaries. More than one-half of the SHEEOs report their states and institutions are having trouble maintaining competitive salary levels. Some have fallen short in recent years; other states have been able to provide competitive increases but are worried about future faculty needs. Commenting on this perception, Clyde Ingle, commissioner of higher education in Indiana notes the unconvincing Lake Wobegon effect: "If you believe the reports, all faculty salaries are below average at nearly all institutions."

Several SHEEOs feel their states will face severe problems in meeting faculty recruitment and hiring goals in the late 1990s. This concern for the supply and preparation of faculty to meet future needs is most pronounced in those states where enrollment growth is expected and where SHEEOs and institutional leaders are attempting to bring faculty supply concerns to the attention of state policy makers. The fact that a majority of states (including large, high-salary states) are concerned about maintaining competitive salary levels, however, suggests that the faculty supply problem may be more widespread than it is acknowledged to be. States and institutions are competing not just with one another, but with other professions in the context of limited, often dwindling new faculty availability. Typically also, they are competing to remain or gain a position closer to the top of the pack of what they view as their peer states and institutions.

Concern over minority faculty representation and development is also very widespread. About one-third of the states view this as an increasingly important concern for higher education, and a substantial number of states have initiated some type of minority faculty development program. These generally involve scholarships and recruitment assistance and mid-career faculty development. Professional development programs for faculty are also receiving more attention at the state level, and ten states have initiated or planned such programs.

Research and Economic Development SHEEOs and other higher education leaders often contend that public and political leaders do not understand the complex roles and needs of academic research. There are, however, many examples to suggest that both understanding and expectations are increasing. As indicated above, the ability and willingness of higher education to contribute to state economic development initiatives is reported by many SHEEOs as the top legislative concern. Among the SHEEOs themselves, research and other activities related to economic development are viewed as a very important issue in 20 states, and nearly all states rate it comparatively high in importance.

A large number and variety of initiatives are being undertaken by states to address this concern. Many states have established organizational vehicles for government-industry-university partnerships in sponsored research, applied technology or technology transfer. The Ben Franklin Partnership in Pennsylvania, the Governor's Innovation, Inc. in Connecticut, the Greater Minnesota Corporation and the Colorado Advanced Technology Institute are examples. In many instances these organizations represent significant changes from past practices. States have become more directly involved in funding university research, while research and technology transfer have become important components of state economic development initiatives.

Industry partnerships funded through public and private sources are one way for higher education to derive greater financial support for these activities. Other initiatives reported by SHEEOs include competitive state grant programs for research; endowed chairs, professorships or "centers of excellence" that match private or university resources with state funds; and programs to support graduate education in specialized fields.

Funding for Physical Facilities SHEEO and state concerns over higher education physical facilities involve three types of support: (1) basic upkeep of campus facilities; (2) upgrading and modernization; and (3) new capital development. A number of states report relatively strong support for new capital construction, including several major debt-financed state capital improvement programs and relatively generous legislative appropriations in recent years. Nearly all SHEEOs, however, report severe difficulty in financing the needs for basic upkeep of existing facilities and adapting these facilities to meet current student needs and changing technology. As one SHEEO states, "deferred maintenance is rampant and, in the long run, will be very costly to the state."

Many factors contribute to the high level of concern over the adequacy of financial support for facilities. New construction tends to be emphasized because new buildings are easier to sell and support than repair and renovate. New construction more often draws on external financial sources, such as state bond financing, private donations or collaborative financing, revenue bonds or other forms of capital financing, rather than operating funds or direct state tax appropriations. In contrast to this bias toward new construction, there is often a systematic bias against support for regular repair and renovation. Particularly when state support is cut back or when other needs (such as faculty salaries) are more pressing, budget allocations to maintain buildings and make necessary improvements are often the first to be cut. In virtually every state, SHEEOs express much concern over addressing these basic facility financing issues more forthrightly and systematically. Only a very few

SHEEOs, however, report initiatives that will begin to address these needs in the coming years through regular financial allocations.

Tuition, Student Costs and Financial Aid SHEEO perceptions of tuition levels and student costs are not commensurate with the considerable media and political attention given to the rapid increases in charges in recent years. SHEEOs report that tuition levels are a very important issue at this time in only 13 states, although they acknowledge that tuition levels will become an immediate issue if large increases are adopted. More SHEEOs view tuition levels as a "middle-class" problem than as a question of access for lower-income students. These also tend to be states where there is high legislative concern and comparatively high tuition levels. A common response in these states is the adoption of some sort of tuition savings or tuition prepayment plan for in-state institutions. In two states student costs are not viewed as an issue at all right now, and in two other states the question is how to increase tuitions to the appropriate "peer group" level, not how to keep costs down.

Considerable diversity is also apparent over the question of student financial aid. Overall, the issue does not rate particularly high as a state-level concern among SHEEOs. A frequent response is that adequacy of student financial aid is an issue primarily because of the lagging federal government commitment to these programs. Most of the specific student aid problems — for example, high student debt, high default rates and support for low-income students at more selective and costly institutions — are viewed as the result of changes to federal programs.

Several SHEEOs report that their states have established or are interested in starting a merit-based student aid program to reward high-achievement students and to encourage their enrollment at an in-state college or university. In states with a large private college sector, there are concerns about using financial aid to balance enrollments between private

and public institutions. Overall, the concern for student financial aid is concentrated in a few states, mainly those states with an already large state program. Only one SHEEO mentioned state interest in greatly expanding student financial aid to broaden economic access to higher education.

Teacher Education Reform Reform and improvement of teacher education programs has been on the education agenda in many states for several years. While still an important issue, it appears to have lost some prominence relative to other issues. Most of the major changes were undertaken in the early or mid-1980s, and few SHEEOs report major new initiatives. Many states have raised teacher education program admission and graduation requirements, several have mandated new five-year degree programs, and several have undertaken major program reviews.

The major new emphasis with respect to teacher education appears to be in the recruitment of more minority teachers. Nearly one-third of the SHEEOs report that there is much concern over the need to increase the number of minority students in teacher education programs, and to ensure that teacher education programs enable them to meet teacher certification requirements.

Workplace and Adult Education Needs At the state level, this issue appears to reflect two separate but related concerns. The first involves higher education's roles in meeting specific job-related technical skills and specialized education needs. The second relates to the basic education needs of the adult population — adult literacy, mathematical skills, and general education. The first type of need is being met by an increasing number of workplace training options, cooperative college-work programs, and on-site training. Community colleges are most frequently involved in these activities, and several states provide direct financial support for these activities. Other states, however, are still

struggling with questions of who should pay and what types of training should be provided to employees of specific private firms.

The second area of concern — adult basic skills — raises the additional question of whether this should be a responsibility of public higher education or secondary education. Several states are struggling with this question, either as part of an initiative to address problems of adult literacy or as one aspect of funding remedial and developmental education at the postsecondary level. In either case, the issue of adult education does not fit neatly into traditional patterns for providing or funding education at the state level.

In a number of states, leadership in addressing workplace and adult education needs is provided by agencies outside of higher education — separate agencies, business-education coalitions or some other group. SHEEO organizations and higher education institutions may be "out of the loop" of both discussions and new initiatives. This in itself may be a limiting factor if higher education leadership neither recognizes the needs nor is an active part in the efforts to address them. A number of SHEEOs, in fact, express a concern that workplace needs and adult education require more attention by higher education. Clyde Ingle, commissioner of higher education in Indiana, calls this a "sleeper" issue, a concern that should and must receive more direct attention in the future because of its importance to future economic growth. If higher education continues to disregard the needs of the state population in these areas, it will limit the potential contributions of education to future economic development and may undermine public confidence and support.

Responses to the issues of regulating for-profit (proprietary) schools and colleges relate mainly to the question of the use of student financial aid. Many SHEEO agencies do not have direct regulatory roles or even regular contact with the for-profit sector. The growing concern for high student indebtedness, high default rates, and the quality of the education

received when students enroll in for-profit programs is pushing more states and SHEEO agencies to accept additional responsibility for this sector.

Several states have adopted or are considering new legislation or regulatory authority affecting the for-profit sector. These measures are being undertaken in response to perceived consumer protection and financial accountability problems. In these and several other states, SHEEOs report some interest in changing the licensing authority over for-profit education and training programs, and in transferring at least some of the regulatory authority to the state higher education agency. In most states, such new and expanded authority represents a significant change in higher education's posture *vis-a-vis* the proprietary sector.

VII. Conclusion
The Evolving State Roles in Higher Education

Perceptions of higher education are often based as much on myth as on fact. Public exposure frequently involves only a partial picture of the complex roles and operations of higher education — supportive perceptions built on winning football teams and negative perceptions based on particular problems or experiences. Similarly, public concerns over higher education — perhaps some of those in this report — may reflect inappropriate generalizations of isolated problems and weaknesses. Too often, higher education responds to these incomplete perceptions with myths of its own, dutifully providing generalized solutions that do not address the specific problems.

The list of priority issues reported by SHEEOs, however, reflects a broad set of public concerns about higher education. The issues and challenges are not isolated incidents, and the actions and initiatives do not appear to be short-term responses. This survey demonstrates that the relationship between states and higher education is changing, and is likely to change even more in the coming years. This relationship inevitably involves tension, and it can be a healthy tension when based on mutual understanding of expectations, capabilities and resource limitations. States, acting through elected political leaders and legislative actions, need to articulate clearly the needs of the state and the expectations of the public for higher education, and there must be open discussion and accurate assessment of the resources available to meet these needs.

Although tension is apparent, little in this survey indicates tension of an unconstructive kind. Beginning with the "quality" issue in undergraduate education, issues are being thrust upon higher education from outside. Moreover, many of the problems with respect to student preparation, admissions standards, institutional effectiveness and college outcomes

transcend the responsibilities of individual colleges and universities and require state and governing board action.

Similarly, most colleges and universities have been aware of the need to increase minority participation for many years. But progress and constructive changes have been slow and halting. Now it appears much more pressure is coming from outside — from state agencies, from legislatures, and from continuing demographic changes. Likewise with the issues of governance and structure in higher education, they are perennial issues being posed again in a substantially new and rapidly changing environment.

Higher education — particularly public higher education — has always been expected to contribute to the economic and social well-being of the state, and to operate within the resources that the state and the state economy can provide. This has not changed, but the expectations and the stakes have never been higher. Increasingly, higher education is viewed as an integral part of states' social fabric and economic development initiatives, at the forefront of how states plan to adapt to a more diverse society and compete more effectively in an increasingly complex international economy. Increasingly, as a result, states are viewing the provision of additional resources for higher education in terms of a strategic investment. This is the overriding issue and challenge at the state level, to which higher education is responding and must continue to respond effectively in the coming years.

There are precautions and potential contradictions to be observed in this shift to a more strategic approach to state/higher education relationships. As state roles become more aggressive, institutional responses may become more reactive. This could result in more strategic game-playing and, out of frustration, attempts to establish more centralized state control. Neither of these would be likely to improve results. There is great potential, however, if game-playing and centralization can be avoided. Institutions need to respond

to the issues and needs that are prominent at the state level, but they are traditionally slow in doing so without external pressures. States, and the state agencies and coordinating boards that apply these pressures, must do so in ways that encourage appropriate change without stifling diversity built into state higher education systems. This will be the key to achieving real improvements in both quality and accountability in higher education.